

AMENDED IN SENATE AUGUST 16, 1999

AMENDED IN ASSEMBLY MAY 28, 1999

AMENDED IN ASSEMBLY APRIL 21, 1999

AMENDED IN ASSEMBLY APRIL 14, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1473

**Introduced by Assembly Members Hertzberg, Corbett, and
Torlakson**

February 26, 1999

An act to repeal and add Article 2 (commencing with Section 13100) of Chapter 2 of Part 3 of Division 3 of Title 2 of the Government Code, relating to capital financing,~~and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1473, as amended, Hertzberg. Capital outlay: state planning and funding.

Existing law requires the Director of Finance to prepare annually a report projecting the state's potential need for the financing of major capital outlay projects over a 10-year period. Existing law generally prohibits funds appropriated for capital outlay from being expended by a state agency until the Department of Finance and the State Public Works Board have approved preliminary plans for the project to be financed from the appropriation for capital outlay. Existing law also requires the Governor's Budget to contain a complete

plan and itemized statement of all proposed expenditures of the state and all estimated revenues.

~~This bill would repeal the provisions that require the Director of Finance to prepare a report on major capital outlay and instead would require the Governor, beginning on or after January 1, 2001, to submit annually a 5-year capital expenditure plan to the Legislature that includes proposed capital improvement projects and their proposed funding sources require the Governor, in conjunction with the Governor's Budget, to submit annually to the Legislature a proposed 5-year infrastructure plan containing specified information concerning infrastructure needed by state agencies, schools, and postsecondary institutions and a proposal for funding the needed infrastructure.~~

~~The bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. *This act shall be known and may be cited*
2 *as the California Infrastructure Planning Act.*

3 SEC. 2. Article 2 (commencing with Section 13100) of
4 Chapter 2 of Part 3 of Division 3 of Title 2 of the
5 Government Code is repealed.

6 ~~SEC. 2.—~~

7 SEC. 3. Article 2 (commencing with Section 13100) is
8 added to Chapter 2 of Part 3 of Division 3 of Title 2 of the
9 Government Code, to read:

10

11 Article 2. ~~Capital Facilities Funding~~ *Infrastructure*
12 *Plan*

13

14 ~~13100. As used in this article, "capital improvement~~

15 *13100. It is the intent of the Legislature in enacting*
16 *this article that the state shall establish and annually*
17 *update a five-year plan for funding infrastructure. The*
18 *plan shall include input by the Legislature as provided in*
19 *Section 13104. The plan shall identify state infrastructure*

1 needs and set out priorities for funding. The plan need not
2 identify specific infrastructure projects to be funded, but
3 it shall be sufficiently detailed to provide a clear
4 understanding of the type and amount of infrastructure
5 to be funded and the programmatic objectives to be
6 achieved by this funding. The plan is intended to
7 complement the existing state budget process for
8 appropriating funds for infrastructure by providing a
9 comprehensive guideline for the types of projects to be
10 funded through that process.

11 13101. As used in this article, “infrastructure” means
12 real property, including land and improvements to the
13 land, structures and equipment integral to the operation
14 of structures, easements, rights-of-way and other forms of
15 interest in property, roadways, and water conveyances.

16 13102. Beginning January 10, 2002, in conjunction
17 with the Governor’s Budget submitted pursuant to
18 Section 13337, the Governor shall submit annually a
19 proposed five-year infrastructure plan to the Legislature.
20 This plan shall cover a five-fiscal-year period beginning
21 with the fiscal year that is the same as that covered by the
22 Governor’s Budget with which it is being submitted.

23 The infrastructure plan shall contain the following
24 information for the five years it covers:

25 (a) (1) Identification of new, rehabilitated,
26 modernized, improved, or renovated infrastructure
27 requested by state agencies to fulfill their responsibilities
28 and objectives as identified in the strategic plans that they
29 are required to prepare pursuant to Section 11816.

30 (2) Aggregate funding for transportation as identified
31 in the four-year State Transportation Improvement
32 Program Fund Estimate prepared pursuant to Sections
33 14524 and 14525.

34 (3) Infrastructure needs for Kindergarten through
35 grade 12 public schools necessary to accommodate
36 increased enrollment, class size reduction, and school
37 modernization.

38 (4) The instructional and instructional support
39 facilities needs for the University of California, the

1 California State University, and the California
2 Community Colleges.

3 (b) The estimated cost of providing the infrastructure
4 identified in subdivision (a).

5 (c) A proposal for funding the infrastructure
6 identified in subdivision (a), subject to the following
7 criteria:

8 (1) If the funding proposal does not recommend
9 funding the entirety of the infrastructure identified in
10 subdivision (a), then the proposal shall specify the
11 criteria and priorities used to select the infrastructure it
12 does propose to fund.

13 (2) The funding proposal shall identify its sources of
14 funding and may include, but is not limited to, General
15 Fund, state special funds, federal funds, general
16 obligation bonds, lease revenue bonds, and installment
17 purchases. If the plan proposes the issuance of new state
18 debt, it shall evaluate the impact of that debt on the state's
19 existing overall debt position.

20 (3) The funding proposal is not required to
21 recommend specific projects for funding, but may
22 instead recommend the type and quantity of
23 infrastructure to be funded in order to meet
24 programmatic objectives which shall be identified in the
25 proposal. However, any capital outlay or local assistance
26 appropriations intended to fund infrastructure included
27 in the Governor's Budget that coincides with the first
28 year of the infrastructure plan shall derive from, and be
29 encompassed by, the funding proposal contained in the
30 plan.

31 13103. The Governor may order any entity of state
32 government to assist in preparation of the infrastructure
33 plan.

34 13104. It is the intent of the Legislature that the
35 proposed infrastructure plan be considered by the
36 Legislature in conjunction with its consideration of the
37 Budget Bill. In this regard, the plan may be included, in
38 whole or in part, in a statute and, where appropriate, as
39 part of the Budget Bill. The Legislature may also suggest
40 revisions to the plan that may be accepted by the

1 Governor. Unless otherwise provided by statute, the
2 infrastructure plan, as revised by the Governor in
3 response to input from the Legislature, shall become
4 effective the first day of the fiscal year for which the plan
5 was submitted by the Governor.

6 ~~projects” mean public projects funded wholly or in part~~
7 ~~by the state, including projects approved for financing in~~
8 ~~accordance with the Bergeson-Peace Economic~~
9 ~~Development and Infrastructure Bank Act (Division 1~~
10 ~~(commencing with Section 63000) of Title 6.7), to~~
11 ~~acquire, construct, renovate, improve, modernize,~~
12 ~~expand, or replace real or personal property, structures,~~
13 ~~conveyances, equipment, thoroughfares, buildings, and~~
14 ~~supporting components thereof.~~

15 ~~13101. On and after January 1, 2001, in conjunction~~
16 ~~with the budget submitted pursuant to Section 13337, the~~
17 ~~Governor shall submit annually a capital expenditure~~
18 ~~plan to the Legislature that includes proposed capital~~
19 ~~improvement projects. In addition to the Department of~~
20 ~~Finance, the Governor may order any agency or~~
21 ~~department of state government, including the~~
22 ~~California State University, to assist in preparation of the~~
23 ~~plan.~~

24 ~~13102. The capital expenditure plan shall cover a~~
25 ~~period of five years, beginning January 1, 2001.~~

26 ~~13103. The plan shall identify the proposed funding~~
27 ~~sources for all projects financed by general obligation~~
28 ~~bonds, revenue bonds, lease purchase, installment~~
29 ~~purchase, or other means.~~

30 ~~13104. The Legislature shall review, modify, and~~
31 ~~approve the report and annual updates for purposes of~~
32 ~~determining capital outlay policies for the state.~~

33 ~~13105. This article is intended to complement the~~
34 ~~approval of individual capital projects through the~~
35 ~~existing state budget process.~~

36 ~~SEC. 3. This act is an urgency statute necessary for the~~
37 ~~immediate preservation of the public peace, health, or~~
38 ~~safety within the meaning of Article IV of the~~
39 ~~Constitution and shall go into immediate effect. The facts~~
40 ~~constituting the necessity are:~~

1 ~~The state faces a significant challenge over the next~~
2 ~~decade and beyond to address both the deficiencies of an~~
3 ~~aging public infrastructure and the need for new~~
4 ~~infrastructure to sustain a growing economy and~~
5 ~~population. To effectively meet this challenge, the state~~
6 ~~needs to implement immediately a well-defined process~~
7 ~~for planning, budgeting, and financing necessary~~
8 ~~infrastructure improvements. Thus, it is necessary that~~
9 ~~this act take effect immediately.~~

